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C O N F I D E N T I A L SECTION 01 OF 03 BAGHDAD 002158

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TAGS: [ECON](#) [EIND](#) [ENRG](#) [EPET](#) [IZ](#) [KCOR](#)
SUBJECT: PRT TIKRIT: BAYJI REFINERY SHUTS DOWN AMID RISING
TENSIONS

REF: A. A. BAGHDAD 677
[B. B. BAGHDAD 682](#)
[C. C. 06 BAGHDAD 4535](#)

Classified By: Classified by Christian Redmer, PRT Iraq Provincial Acti
on Officer (IPAO), for reasons 1.4 (b) and (d)

[1](#)1. (U) This is a PRT Tikrit, Salah ad Din cable.

[1](#)2. (C) This cable has been cleared by the intelligence
section, 3 BCT, 82nd Airborne Division.

[1](#)3. (C) SUMMARY. The Bayji oil refinery closed its
distribution gates on June 25 in accordance with the
qada-wide general movement curfew decreed by the Governor of
Salah ad Din, Hamad Hamoud al Shakti. Coupled with a
production shutdown due to concurrent power failures, the
three day curfew) imposed by al Shakti in response to the
devastating car bomb attack upon the Bayji IP (Iraqi Police)
station) had the effect of turning the facility into a
ghost-town, according to onsite CF (Coalition Forces)
reporting. While the June 25 attack appears to be unrelated
to the refinery, its repercussions interrupted the steady)
if inconsistent) improvement in refined fuel production and
distribution. Even before the attack, apprehensions seem to
be rising about the possibility of an AQIZ (Al Qaeda in Iraq)
strike upon the ISF (Iraq Security Force) and/or CF forces at
the facility. END SUMMARY.

Some Hands Honest

[1](#)4. (C) Five months after the order by PM Maliki to mount a
&military invasion⁸ (reftel A) of the Bayji refinery, a
number of positive indicators are seen in Bayji and Salah ad
Din. For example, average gasoline production increased from
2021 cubic meters from February 13-18 to 2851 cubic meters
during June 17-23 (two periods unmarked by facility
shutdowns). According to atmospheric reports, the average
wait at fuel stations in Tikrit decreased from 8-10 hours in
January to 2-4 hours in June.

[1](#)5. (C) In addition, the improved onsite security) largely
due to greater CF presence as well as the 8th Strategic
Infrastructure Brigade (SIB)) resulted in an apparent
reduction (although certainly not elimination) of corruption
within the refinery gates. During interviews conducted in
April, May, and June, residents of Tikrit consistently told
IPAO that they saw improvements in the supply of fuel
reaching the streets. (NOTE: Severe fuel shortages remain -
especially in the southern areas of the province such as
Samarra and Balad) however, Operation Honest Hands thus far
appears to be partially succeeding in strict fuel
distribution terms. END NOTE.) While increased production
helped to alleviate the severe shortages throughout northern
Iraq, fuel distribution is largely a zero-sum game; the

increased amount of fuel sold at fuel stations is derived not only from surplus production but also from onsite smuggling operations, some of which are operated by AQIZ.

Leaving the Faucet Intact...

¶6. (C) During a confidential interview on April 18, the Director General of the North Refineries Company, Ali Al-Obeydi, told IPAO that he was regularly threatened by AQIZ through text messages. According to Al-Obeydi, AQIZ operatives were - happy⁸ with the increased security measures and were demanding that he comply with their demands to steal fuel. In particular, Al-Obeydi mentioned that AQIZ insisted that he leave the tunnel road valves) the pipeline which runs south to the propane distribution facility - open so that the excess fuel could be siphoned by their operatives. In contrast to the area ex-Baathists, whom he said that he was &taking care of⁸) through his tribal relationships) Al-Obeydi left no doubt that he believed that AQIZ was the chief threat to the refinery security.

¶7. (C) Nonetheless, Al-Obeydi strongly emphasized that AQIZ would not attack the refinery production complex for two reasons: the immense profits flowing back to the organization from fuel smuggling, and the great value the local Sunni tribes placed on the refinery and their own smuggling operations. According to Al-Obeydi, direct or tacit support currently enjoyed by AQIZ from many quarters would quickly evaporate after any kind of attack on the refinery facility itself.

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...But Tightening the Spigot?

¶8. (C) While the Bayji refinery still suffers from various technical challenges; inadequate HFO disposal consistently ranks as the most significant impediment to greater efficiency (reftel B). Capitalizing on this situation, AIF may have terrorized HFO (Heavy Fuel Oil) tanker drivers) threatening to blow up their tankers) in order to end production temporarily when it suited their political purposes (reftel C). During the second half of June, according to Bayji contacts, HFO tanker drivers reported increasing intimidation on the highway) especially in the vicinity of El-Amin, a trucker restaurant on the road to Ash Sharqat, with &mujahedin⁸ warning drivers not to drive HFO that &would be sold to the Zionists.⁸ Due to increased security measures and better coordination amongst tanker drivers, this latest effort appears to have been less successful than in the past. Although HFO distribution ceased temporarily, refinery officials were able to maintain production through the crisis. A potential next step - an attack on the facility periphery, such as damage of the distribution gate or the SIB command post) could more effectively halt fuel distribution but leave the vital infrastructure intact.

&Crafty Like a Fox⁸

¶9. (C) During an interview conducted on June 22, the Governor,s cousin and long-time insider (and fellow al Qaisi member), Kheralla Essa Turuk, told IPAO that he and the Governor were both &fearful⁸ about the possibility of an imminent AQIZ attack at the distribution gates. When queried about specific measures the Governor would take to address the situation, however, Kheralla did not have a response. (NOTE: The Governor appears to arbitrarily assign fellow al Qaisi members to the refinery from time to time. This is as much related to an internal power struggle as well as simple

nepotism than to a genuine attempt to improve security, reftel. END NOTE.)

¶10. (C) Turuk told IPA0 that he was being sent to the refinery by the Governor to clean out the OPF and remove the AQIZ influence in the organization. Turuk said that the Governor was concerned about the security situation and needed a good man onsite. When asked about the current director of OPF (Oil Protection Forces), Amar Sawadi, Turuk replied that he was not trustworthy. Specifically, Turuk said that Sawadi was allowing AQIZ infiltration of the facility and that he was crafty, like a fox. Although he would not specify his role within the complex (he said he would be a facility security expert), Turuk indicated to IPA0 that he would provide a list of all of the AQIZ operatives working within the refinery to CF; however, this list is still forthcoming.

Obeydi, Samir, Walid Gone Simultaneously

¶11. (C) Three of the most influential officials at the refinery, Director General of Distribution, Samir Abbas, Director General of Distribution for Salah ad Din Province, Walid Murshed, and Al-Obeydi are currently absent from the facility. While Al-Obeydi is in Baghdad for consultations and Abbas is on a regularly scheduled vacation, Murshed left suddenly - ostensibly for emergency leave. Before leaving, Murshed told a CF contact that things were getting too hot.

Comment

¶12. (C) COMMENT. The Bayji oil refinery and its environs never lack drama, and the devastating attack on the IP station clearly exacerbated local apprehensions. However, in addition to mounting CF intelligence and the recent uptake in AIF (Anti Iraq Forces) attacks in and around the facility, a number of subtle recent changes may suggest that AQIZ may be planning a spectacular attack upon the refinery periphery. Considered by many to be untouchable, the refinery is the prize jewel to most SaD Sunnis (CF-friendly and unfriendly alike) given the common perception of GOI here - and a direct AQIZ attack upon refinery infrastructure which would lead to a prolonged or permanent shutdown of the facility appears unlikely. However, AQIZ has demonstrated a willingness to impede fuel production and distribution via intimidation of HFO drivers to achieve its political ends. A

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spectacular attack upon the distribution gates or another peripheral target at the refinery could be merely an escalation of a previous strategy. It could also serve multiple AQIZ aims in one deft blow: increased intimidation of the ISF, disruption of the steadily improving) and hard-earned - fuel distribution situation (with the resulting negative political and economic effect), and a powerful demonstration of AQIZ's continued potency. Most important, the currently feeble reaction of local leadership to this threat) in and out of the refinery - also casts doubt on their ability to effectively counter the AQIZ menace in the long-term. END COMMENT.

¶13. (U) PRT Tikrit thanks the soldiers of the 1st Battalion, 505th Paratroop Regiment, 82nd Airborne Division for their invaluable contributions and support that make this reporting possible.

¶14. (U) For additional reporting from PRT Tikrit, Salah ad Din, please see our SIPRNET reporting blog:

<http://www.intelink.sgov.gov/wiki/Tikrit>.

